

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 SSO-00 OES-07 L-03 NSCE-00 USIE-00

INRE-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

COME-00 EPG-02 DODE-00 EB-07 FPC-01 H-01 INR-07

INT-05 NSAE-00 NSC-05 OMB-01 PM-04 SP-02 SS-15

STR-04 TRSE-00 ACDA-07 ERDE-00 /094 W

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O R 041220Z JUL 77

FM AMCONSUL BOMBAY

TO SECSTATE WASHDC NIACT IMMEDIATE 7424

INFO AMEMBASSY NEW DELHI

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FOR DENNIS KUX NEA/INS

E.O. 11652 NA

TAGS: TECH, IN

SUBJ: TARAPUR

1. THERE FOLLOW RESPONSES, WHICH CONGEN HAS IN WRITING, SIGNED BY J.C. SHAH, TO THE THREE QUESTIONS PUT IN KUX/ COURTNEY TELEPHONE CONVERSATION OF JULY 4, (POPP HOURS BOMBAY TIME). QUESTIONS WERE: (A) AT THE NFC WHAT IS THE COST IN MONEY TERMS PER DAY IN CONTINUING OPERATION ON SCRAP ONLY (20 PERCENT OF EFFICIENCY) AS CONTRASTED WITH OPERATIONS USING FRESH UF6? (B) WHEN WILL USABLE SCRAP (EX-GADOLINA) BE EXHAUSTED? (C) WHEN WOULD TARAPUR REACTORS HAVE TO BE SHUT DOWN ASSUMING (1) NO FURTHER SHIPMENT OF UF6, (2) FULL RECHARGES, AND (3) FULL CAPACITY OPERATION? SHAH'S REPLIES SERIATIM ARE:

QUOTE:

(A) THE FINANCIAL BURDEN ON NFC AS A CONSEQUENCE OF SCRAP ONLY OPERATIONS CANNOT FULLY BE EXPRESSED IN MONEY  
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TERMS PER DAY, AS SOME FACTORS SUCH AS COSTS OF RESUMPTION OF NORMAL OPERATIONS, INCREASED INVENTORY COSTS, ETC., DO NOT LEND THEMSELVES READILY TO THIS APPROACH. HOWEVER, CONFINING OUR CONSIDERATION ONLY TO THE FIXED COSTS, WHICH ARE INCURRED REGARDLESS OF THE LEVEL OF OUTPUT, AND TAKING ONLY 80 PERCENT OF THESE, OUR ESTIMATE IS THAT THESE WILL AMOUNT TO BETWEEN US

\$2000 AND \$2500 PER DAY.

WHEN ONE CONSIDERS THE LOSSES TO IAEC AS A WHOLE, ONE MUST, OF COURSE, TAKE COGNIZANCE OF THE LOSSES TO TAPS ALSO. BASED ON THE CURRENT TARIFFS THE STATION STANDS TO LOSE ABOUT 7.6 U.S. MILS IN FIXED CHARGES FOR EACH KWH NOT SOLD DUE TO OUTPUT REDUCTION. EVALUATED IN TERMS OF PER DAY LOSSES WHEN A UNIT IS SHUT DOWN THESE AMOUNT TO AROUND U.S. \$20,000 PER DAY PER UNIT. FURTHERMORE, SINCE THE REGION IS SHORT OF ELECTRICITY ANY REDUCTION IN TAPS OUTPUT BRINGS ABOUT A CORRESPONDING REDUCTION IN THE INDUSTRIAL AND AGRICULTURAL PRODUCTION IN THE REGION. IT HAS BEEN ESTIMATED THAT THE VALUE OF PRODUCTION IS APPROXIMATELY 20 TIMES THE COST OF ELECTRICITY IN INDIA AS MOST OF THE ELECTRICITY IS USED FOR INDUSTRIAL AND AGRICULTURAL PRODUCTION AND THIS MAY GIVE AN INDICATION OF THE DIRECT CONSEQUENCE TO THE REGION FROM A LOSS OF GENERATION AT TARAPUR.

(B) WE EXPECT ALLUSABLE SCRAP TO BE EXHAUSTED BY NOT LATER THAN NOVEMBER 1977 WITH THE CURRENT PATTERN OF OPERATION.

(C) BASED UPON THE GUIDELINES INCORPORATED IN THE LAST-KIEFER REPORT, BOTH THE TARAPUR UNITS CAN UNDERGO ONE MORE REFUELING WITH THE FUEL BUNDLES THAT ARE LIMITED OFFICIAL USE

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ALREADY AT SITE OR THAT CAN BE OBTAINED FROM NFC FROM EXISTING INVENTORIES. THESE REFUELINGS WILL COMMENCE IN NOVEMBER 1977 FOR UNIT 2 AND APRIL 1978 FOR UNIT 1. CONSEQUENTLY, UNDER OPERATING CONDITIONS MENTIONED IN YOUR QUERY, UNIT 2 WILL BE DUE FOR THE SUBSEQUENT REFUELLING IN MARCH 1979 AND UNIT 1 IN AUGUST 1979 AND SINCE WE WILL NOT HAVE ADEQUATE FUEL BUNDLES FOR THE PURPOSE, THE UNITS WILL CEASE TO FUNCTION FROM THOSE DATES. SIGNED: J.C. SHAH. END QUOTE.

2. IN ADDITION, SHAH POINTED OUT THAT IT MUST BE CLEARLY UNDERSTOOD, THAT AMPLIFIED IN HIS EARLY STATEMENT (BOMBAY 1574) THEY MAY BE COMPELLED TO FOLLOW OPERATION STRATEGIES OTHER THAN THOSE OF THIS QUERY IN THE EVENT FRESH FUEL SUPPLIES ARE NOT READILY AVAILABLE.

3. THE LAST SENTENCE PRECEDING SHAH'S SIGNATURE ABOVE IS INTENDED AS A LITERAL ANSWER TO OUR QUERY. IT SHOULD BE READ AS MEANING THAT THE REACTORS WILL CEASE FUNCTIONING AT FULL CAPACITY AND ON FULL CYCLE BASIS AS OF THOSE DATES. AS THERE WILL BE SOME BUNDLE FUEL IN THE REACTORS, OPERATION AT REDUCED CAPACITY WOULD BE POSSIBLE FOR SOME MORE MONTHS.

COURTNEY

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## Message Attributes

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**Channel Indicators:** n/a  
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